

CANADA

SUPERIOR COURT

PROVINCE OF QUÉBEC
DISTRICT OF
MONTREAL

Commercial Division
*Sitting as a court designated pursuant to the
Companies' Creditors Arrangement Act,
R.S.C., c. C-36, as amended*

No.: 500-11-036133-094

**IN THE MATTER OF THE PLAN OF COMPROMISE OR
ARRANGEMENT OF:**

ABITIBIBOWATER INC., a legal person incorporated under the laws of the State of Delaware, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And

ABITIBI-CONSOLIDATED INC., a legal person incorporated under the laws of Canada, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And

BOWATER CANADIAN HOLDINGS INC., a legal person incorporated under the laws of the Province of Nova Scotia, having its principal executive offices at 1155 Metcalfe Street, in the City and District of Montréal, Province of Quebec, H3B 5H2;

And

the other Petitioners listed on Appendices "A", "B" and "C";

Petitioners

And

ERNST & YOUNG INC., a legal person under the laws of Canada, having a place of business at 800 René-Lévesque Blvd. West, Suite 1900, in the City and District of Montréal, Province of Quebec, H3B 1X9;

Monitor

SUPPLEMENTAL SIXTH REPORT OF THE MONITOR

June 12, 2009

INTRODUCTION AND PURPOSE OF THIS REPORT

1. This is a supplemental report to the Sixth Report of the Monitor dated May 21, 2009 (the “**Sixth Report**”) in the CCAA Proceedings (the “**Supplemental Sixth Report**”). The purpose of this Supplemental Sixth Report is to provide an update with respect to the following:
 - (i) the interim order issued in the U.S. Bankruptcy Court on June 11, 2009 authorizing the Amended and Restated Securitization Program, granting Adequate Protection (as defined herein) to the ACCC Term Lenders by DCorp and certain other related relief (the “**Securitization Order**”); and
 - (ii) ACI’s property and business taxes.
2. The background with respect to the CCAA Proceedings is set forth in the Sixth Report.

TERMS OF REFERENCE

3. In preparing this Report, the Monitor has been provided with and, in making comments herein, has relied upon unaudited financial information, the ABH Group’s books and records, financial information and projections prepared by the ABH Group and discussions with management of the ABH Group (the “**Management**”). The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information and, accordingly, the Monitor expresses no opinion or other form of assurance in respect of such information contained in this Report. Some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants (“**CICA**”) Handbook, has not been performed. Future-oriented financial information referred to in this Report was prepared by the ABH Group based on Management’s estimates and assumptions. Readers are cautioned that, since these projections are based upon assumptions about future events and conditions, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

4. Capitalized terms not defined in this Supplemental Sixth Report are as defined in the Sixth Report and the previous reports of the Monitor and the Initial Order. All references to dollars are in U.S. currency unless otherwise noted.
5. Copies of the Monitor's Reports, including a copy of this Supplemental Sixth Report, all motion records and orders made in this CCAA Proceeding and further reports of the Monitor will be available on the Monitor's website at www.ey.com/ca/abitibibowater. The Monitor has also established a bilingual toll free telephone number that is referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the CCAA Proceedings.
6. Copies of all of the U.S. Bankruptcy Court's orders are posted on the website for Epiq Bankruptcy Solutions LCC ("**Epiq**") at <http://chapter11.epiqsystems.com/abitibibowater>. The Monitor has included a link to Epiq's website from the Monitor's website.

THE INTERIM SECURITIZATION ORDER

7. The Amended and Restated Securitization Program will provide the ACI Group and the DCorp Group with up to \$270 million of liquidity (which is slightly lower than the \$300 million set forth in the Sixth Report), subject to the collateral formula and the amount of accounts receivable which will be eligible under the terms of the Amended and Restated Securitization Program and will replace the Existing Securitization Program of \$210 million. The Monitor has been advised by BMO Capital Markets that the Amended and Restated Securitization Program has been fully syndicated.
8. On June 11, 2009, the U.S. Debtors were granted the Interim Securitization Order by the U.S. Bankruptcy Court. A copy of the Interim Securitization Order is attached hereto as Appendix "D".
9. As part of the Interim Securitization Order, the U.S. Debtors agreed to grant replacement liens and superpriority claims, to the extent of any post-petition diminution in the value of the ACCC Term Lenders' interest in the pre-petition collateral pledged by the DCorp Group to the ACCC Term Lenders, as adequate protection for the use of such collateral ("**Adequate Protection**").

10. In connection with the Adequate Protection, the ACCC Term Agent, on behalf of the ACCC Term Lenders, has been granted:
- (i) the Replacement Liens and the Additional Liens as defined and described in the Sixth Report;
 - (ii) an administrative priority claim payable from the pre- and post-petition property of the DCorp Group, other than ACI Funding;
 - (iii) monthly interest payments on the aggregate principal amount of loans outstanding as of the Petition Date at a rate of LIBOR + 8% (with a LIBOR floor of 3%);
 - (iv) payment of reasonable fees and expenses arising from and after the Petition Date to certain advisors of the ACCC Term Agent; and
 - (v) payment of the Interim Payment, as defined below.
11. The Monitor understands that the Adequate Protection was negotiated and agreed upon by the DCorp Group, the Unsecured Creditors Committee and the ACCC Term Lenders.
12. The Replacement Liens and the Additional Liens granted in favour of the ACCC Term Lenders and the interim payment in the amount of approximately \$11 million (the “**Interim Payment**”) plus the fees and expenses of certain professionals to the ACCC Term Agent are described in detail in the Sixth Report.
13. As described in the Sixth Report, the Monitor has been advised that DCorp will be providing the Adequate Protection, in part, by establishing a bank account in the name of DCorp (the “**Interest Account**”) which shall be subject to a first priority lien in favour of the ACCC Term Agent. In the event that the DCorp Group fails to deposit amounts in the Interest Account or fails to make an interest payment on a timely basis (subject to a cure period), the DCorp Group’s use of the ACCC Term Lender’s cash collateral shall terminate, unless otherwise ordered by the U.S. Bankruptcy Court or agreed to in writing.
14. The Sixth Report described a U.S. and Non-U.S. Percentage allocation of 43.4% and 56.6%, respectively (the “**Percentage Allocation**”) with respect to the payment of any adequate protection.

15. However, since the date of the Sixth Report, the Monitor has been advised that it was ultimately determined that the Percentage Allocation was not acceptable to the ACCC Term Lenders and, as a result, it did not form part of the Adequate Protection approved by the U.S. Bankruptcy Court.
16. The Monitor notes that paragraph 40 of the Interim Securitization Order provides that any interest payments or professional fees paid by ACSC shall be accounted for by ACSC as an amount receivable from ACCC which shall be offset each month in the ordinary course of closing and reconciling accounts against post-petition amounts owed by ACSC to the ACI Group for inventory purchased on credit from ACI and ACCC.
17. The Monitor also notes that the Adequate Protection liens approved by the U.S. Bankruptcy Court pertain to the assets of the DCorp Group (and not against the assets of the ACI Group) for the entire post-petition diminution in value of the ACCC Term Lenders' interest in the collateral pledged to the ACCC Term Lenders by the DCorp Group, although the Adequate Protection payments will impact the flow of funding to ACI and ACCC through the DCorp Group.

PROPERTY AND BUSINESS TAXES

18. Since the date of the Sixth Report, the Monitor has been working with the Petitioners to gather the relevant data with respect to outstanding property and business taxes owing to various municipalities.
19. As mentioned in the Sixth Report, the tax records are maintained at the mill level for each municipality in Ontario and Quebec and are comprised of hundreds of tax rolls.
20. The Monitor has reviewed the status of certain properties with Management and, based on that review, the Petitioners have made payments on account of such taxes to certain municipalities.
21. The Petitioners, with the assistance of the Monitor, have prepared a summary of the relevant information for the remaining properties and has circulated the summary to Management for review and consideration.
22. The Monitor will update this Honourable Court as further progress is made on this matter.

All of which is respectfully submitted.

ERNST & YOUNG INC.

**in its capacity as the Court-Appointed Monitor
of the Petitioners**

A handwritten signature in black ink, appearing to read "Alex Morrison". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Per: Alex Morrison, CA, CIRP
Senior Vice President

APPENDIX “A”
ABITIBI PETITIONERS

1. Abitibi-Consolidated Inc.
2. Abitibi-Consolidated Company of Canada
3. 3224112 Nova Scotia Limited
4. Marketing Donohue Inc.
5. Abitibi-Consolidated Canadian Office Products Holding Inc.
6. 3834328 Canada Inc.
7. 6169678 Canada Inc.
8. 4042140 Canada Inc.
9. Donohue Recycling Inc.
10. 1508756 Ontario Inc.
11. 3217925 Nova Scotia Company
12. La Tuque Forest Products Inc.
13. Abitibi-Consolidated Nova Scotia Incorporated
14. Saguenay Forest Products Inc.
15. Terra Nova Explorations Ltd.
16. The Jonquière Pulp Company
17. The International Bridge and Terminal Company
18. Scramble Mining Ltd.
19. 9150-3383 Québec Inc.

APPENDIX "B"
BOWATER PETITIONERS

1. Bowater Canadian Holdings. Inc.
2. Bowater Canada Finance Corporation
3. Bowater Canadian Limited
4. 3231378 Nova Scotia Company
5. AbitibiBowater Canada Inc.
6. Bowater Canada Treasury Corporation
7. Bowater Canadian Forest Products Inc.
8. Bowater Shelburne Corporation
9. Bowater LaHave Corporation
10. St-Maurice River Drive Company Limited
11. Bowater Treated Wood Inc.
12. Canoxel Hardboard Inc.
13. 9068-9050 Québec Inc.
14. Alliance Forest Products Inc. (2001)
15. Bowater Belledune Sawmill Inc.
16. Bowater Maritimes Inc.
17. Bowater Mitis Inc.
18. Bowater Guérette Inc.
19. Bowater Couturier Inc.

APPENDIX “C”
18.6 PETITIONERS

1. AbitibiBowater Inc.
2. AbitibiBowater U.S. Holding 1 Corp.
3. Bowater Ventures Inc.
4. Bowater Incorporated
5. Bowater Nuway Inc.
6. Bowater Nuway Mid-States Inc.
7. Catawba Property Holdings LLC
8. Bowater Finance Company Inc.
9. Bowater South American Holdings Incorporated
10. Bowater America Inc.
11. Lake Superior Forest Products Inc.
12. Bowater Newsprint South LLC
13. Bowater Newsprint South Operations LLC
14. Bowater Finance II, LLC
15. Bowater Alabama LLC
16. Coosa Pines Golf Club Holdings, LLC

APPENDIX “D”
INTERIM SECURITIZATION ORDER

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ABITIBIBOWATER INC., *et al.*,¹

Debtors.

)
) Chapter 11
)
) Case No. 09-11296(KJC)
)
) (Jointly Administered)
)

**INTERIM ORDER PURSUANT TO SECTIONS 105, 362(d), 363(b)(1), 363(c)(2), 363(f), 363(l), 363(m), 364(c)(1), 364(e) AND 365 OF THE BANKRUPTCY CODE
(1) AUTHORIZING ENTRY INTO AN AMENDED AND RESTATED
GUARANTEED RECEIVABLES PURCHASE FACILITY, (2) AUTHORIZING
THE SALE OF RECEIVABLES AND RELATED RIGHTS PURSUANT TO AN
AMENDED AND RESTATED SECURITIZATION PROGRAM, (3)
AUTHORIZING ACSC TO CAUSE PAYMENT OF CERTAIN FEES PURSUANT
TO THE ENGAGEMENT LETTERS, (4) MODIFYING THE AUTOMATIC
STAY, (5) AUTHORIZING THE USE OF CASH COLLATERAL, (6) GRANTING
SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS, (7) GRANTING
ADEQUATE PROTECTION, (8) SCHEDULING A HEARING AND (9)
GRANTING OTHER RELATED RELIEF**

Upon the motion dated May 18, 2009 (the "Motion")² of the above-captioned
Debtors seeking an order of this Court, pursuant to sections 105, 362(d), 363(b)(1),

¹ The debtors-in-possession in these cases, along with the last four digits of each Debtor's federal or Canadian tax identification number, are: AbitibiBowater Inc. (6415), AbitibiBowater US Holding 1 Corp. (6050), AbitibiBowater US Holding LLC (N/A), AbitibiBowater Canada Inc. (3225), Abitibi-Consolidated Alabama Corporation (4396), Abitibi-Consolidated Corporation (9050), Abitibi-Consolidated Finance LP (4528), Abitibi Consolidated Sales Corporation (7144), Alabama River Newsprint Company (7247), Augusta Woodlands, LLC (0999), Bowater Alabama LLC (7106), Bowater America Inc. (8645), Bowater Canada Finance Corporation (8810), Bowater Canadian Forest Products Inc. (2010), Bowater Canadian Holdings Incorporated (6828), Bowater Canadian Limited (7373), Bowater Finance Company Inc. (1715), Bowater Finance II LLC (7886), Bowater Incorporated (1803), Bowater LaHave Corporation (5722), Bowater Maritimes Inc. (5684), Bowater Newsprint South LLC (1947), Bowater Newsprint South Operations LLC (0186), Bowater Nuway Inc. (8073), Bowater Nuway Mid-States Inc. (8290), Bowater South American Holdings Incorporated (N/A), Bowater Ventures Inc. (8343), Catawba Property Holdings, LLC (N/A), Coosa Pines Golf Club Holdings LLC (8702), Donohue Corp. (9051), Lake Superior Forest Products Inc. (9305) and Tenex Data Inc. (5913). The corporate headquarters of the debtors-in-possession is located at, and the mailing address for each debtor-in-possession is, 1155 Metcalfe Street, Suite 800, Montreal, Quebec H3B 5H2, Canada.

363(c)(2), 363(f), 363(l), 363(m), 364(c)(l), 364(e) and 365 of title 11 of the United States Code (the "**Bankruptcy Code**");

(i) authorizing Abitibi Consolidated Sales Corporation ("**ACSC**"), Abitibi-Consolidated Inc., a Chapter 15 debtor³ ("**ACI**" and together with ACSC the "**Originators**"), Donohue Corp. ("**Donohue**") and each of the direct and indirect wholly-owned subsidiaries of Donohue other than ACI Funding (as defined below) that is a Debtor in these Chapter 11 Cases (collectively, the "**Guarantors**") to enter into, and authorizing ACSC to cause Abitibi-Consolidated U.S. Funding Corp., a wholly-owned subsidiary of ACSC that is not a Debtor ("**ACI Funding**") to enter into an Amended and Restated Guaranteed Receivables Purchase Program (the "**Amended and Restated Receivables Purchase Program**"), substantially in accordance with the Term Sheet attached to the Motion (the "**Term Sheet**");

(ii) authorizing the Originators to enter into, and authorizing ACSC to cause ACI Funding to enter into an Amended and Restated Receivables Purchase Agreement substantially in accordance with the Term Sheet (the "**ARRPA**"),

² Capitalized terms used but not otherwise defined herein shall have the same meanings assigned thereto in the Motion.

³ Notwithstanding anything in this Order to the contrary, this Order does not grant any authority to ACI nor grants any right that is inconsistent with the Chapter 15 relief provided in In re Abitibi-Consolidated Inc., et al., Case No. 09-11348 (KJC) and under the Chapter 15 provisions of the U.S. Bankruptcy Code. References in this Order to ACI are premised on the Chapter 15 relief granted to ACI pursuant to this Court's recognition of the proceeding of Abitibi-Consolidated Inc. under *Canada's Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**Canadian Proceeding**"). Nothing in this Order is intended to limit the jurisdiction of the Quebec Superior Court of Justice (Commercial Division) over ACI or the oversight of the monitor appointed in the Canadian Proceeding.

which shall amend and restate that certain Amended and Restated Receivables Purchase Agreement (the "**Existing RPA**"), dated as of January 31, 2008 among ACI Funding, Eureka Securitization, plc ("**Eureka**"), Citibank, N.A. ("**Citibank**"), Citibank, N.A., London Branch (along with any successor thereto the "**Agent**"), ACI, in its capacity as Subservicer and an Originator, and ACSC, in its capacity as Servicer and an Originator in order to make certain changes to the Existing RPA as contemplated by the Term Sheet, including, among others, (a) naming Citibank as the successor Agent, (b) revising the manner in which the advance rate is calculated, including by changing the method of calculating the reserves, (c) adding covenants to require maintenance of certain credit insurance programs, (d) extending the maturity date and providing for further extensions upon the satisfaction of certain conditions, (e) modifying the events of termination, (f) requiring ACI Funding to pay to the Banks under the ARRPA (the "**Banks**") the sum of all Capital, accrued Yield and Fees and any other amounts then payable by ACI Funding to the Agent or the Banks under any of the Facility Documents and any other documents delivered in connection therewith (each of the foregoing capitalized terms having the meaning ascribed thereto in the ARRPA), (g) the inclusion of additional Banks and (h) the removal of Eureka as a party to the ARRPA;

(iii) authorizing the Originators to enter into, and authorizing ACSC to cause ACI Funding to enter into an Amended and Restated Purchase and

Contribution Agreement (the “ARPCA” and collectively with the ARRPA the “Amended and Restated Receivables Agreements”), which shall amend and restate that certain Amended and Restated Purchase and Contribution Agreement (the “Existing PCA”), dated as of January 31, 2008 among ACI and ACSC as Sellers and ACI Funding as Purchaser in order to make certain changes to the Existing PCA in connection with the entry into, and implementation and effectuation of the Amended and Restated Receivables Purchase Program;

(iv) authorizing the Guarantors to guarantee in full all obligations of ACI Funding under the Amended and Restated Receivables Purchase Program and to execute a guarantee in favor of the Agent (for itself and for the ratable benefit of the Banks and Barclays Capital, Inc. (in such capacity, the “Syndication Agent”)) in connection therewith on terms substantially in accordance with the Term Sheet (the “Guaranty”);

(v) authorizing the Debtors to enter into, and authorizing ACSC to cause ACI Funding to enter into, such other ancillary documentation as may be required or desirable in connection with the entry into, and implementation and effectuation of the Amended and Restated Receivables Purchase Program, in each case substantially in accordance with the Term Sheet;

(vi) authorizing ACSC to cause ACI Funding to pay certain fees in consideration of the services of the Agent and the Syndication Agent in

structuring, negotiating and syndicating the Amended and Restated Receivables Purchase Program;

(vii) authorizing the Originators to sell and/or contribute Receivables (as defined in the ARPCA) to ACI Funding in accordance with the terms of the ARPCA (Receivables sold or contributed, or described in the ARPCA as having been sold or contributed to ACI Funding, whether before or after the date hereof, together with the Related Security (as defined in the ARPCA) being referred to herein as **"Transferred Receivables"**);

(viii) authorizing ACI, ACSC and the other Debtors, as applicable, to otherwise perform or continue to perform, and authorizing ACSC to cause ACI Funding, as a wholly owned subsidiary of ACSC, to perform or continue to perform their respective obligations under each of the Amended and Restated Receivables Agreements (including without limitation servicing obligations) and each of the other instruments and agreements related to the Amended and Restated Receivables Purchase Program, whether currently effective or hereafter entered into (such other instruments and agreements together with the Amended and Restated Receivables Agreements and the Guaranty, as all of the foregoing may be amended or modified from time to time the **"Financing Agreements"**), including notably, but without limiting the generality of the foregoing: (a) the Undertaking Agreement (Servicer) dated as of October 27, 2005 by ACI in favor of Eureka, Citibank and the other Banks that are party to the Existing RPA (as

heretofore amended, including, without limitation, by Second Amendment of Undertaking Agreement (Servicer) dated as of January 31, 2008); (b) the Undertaking Agreement (Originator) dated as of October 27, 2005 by ACI in favor of ACI Funding (as heretofore amended, including, without limitation, by Second Amendment of Undertaking Agreement (Originator) dated as of January 31, 2008); (c) the Deposit Account Control Agreement dated as of January 31, 2008 among ACI Funding, ACI, ACSC, Citibank and the Agent, as amended (the **"Deposit Account Control Agreement"**); (d) the Blocked Accounts Agreement dated as of October 27, 2005 among ACI, ACSC, the Agent, Royal Bank of Canada and ACI Funding, as amended (the **"Blocked Accounts Agreement"**); (e) the Agreement Re: Pledged Deposit Accounts dated as of October 27, 2005 among ACSC, ACI, ACI Funding, the Agent and LaSalle Bank National Association (predecessor in interest to Bank of America, N.A.), as amended (the **"Pledged Deposit Accounts Agreement"**); (f) the Second Amended and Restated Four Party Agreement for Sold Accounts (General) dated as of January 31, 2008 among Export Development Canada and Compagnie Francaise d'Assurance pour le Commerce Extérieur – Canada Branch, ACI, ACI Funding, the Agent and Citibank, as amended; (g) the Intercompany Agreement dated as of December 20, 2007 between ACI and ACSC, as amended; (h) the Accounts Receivable Policy (Shipments) General Terms and Conditions, plus the Coverage Certificate effective September 1, 2008 (together with all schedules and endorsements

thereto) issued by Export Development Canada and Compagnie Francaise d'Assurance pour le Commerce Extérieur - Canada Branch to ACI, as amended; (i) the Omnibus Amendment No. 5 to Amended and Restated Receivables Purchase Agreement and Amendment No. 3 to Amended and Restated Purchase and Contribution Agreement and Waiver Agreement dated as of April 16, 2009 among ACI Funding, Citibank, the Agent, ACI and ACSC, as amended (the "**Omnibus Amendment**"); (j) the Waiver Agreement dated as of April 28, 2009 from the Agent to ACI Funding, ACI and ACSC; (k) the Waiver Agreement dated as of May 13, 2009 from the Agent to ACI Funding; (l) the fee letter dated May 6, 2009 between ACI Funding and the Agent; (m) the fee letter dated May 18, 2009 between ACI Funding and the Syndication Agent; and (n) the Engagement Letters dated May 18, 2009 between ACI Funding and the Agent and between ACI Funding and the Syndication Agent;

(ix) authorizing ACI, ACSC and the other Debtors to enter into, and authorizing ACSC to cause ACI Funding, as a wholly owned subsidiary of ACSC, to enter into, as applicable, one or more non-material amendments to one or more of the Financing Agreements in such form as the parties thereto may agree;

(x) authorizing the use of collateral, including "cash collateral" as such term is defined in section 363 of the Bankruptcy Code, which is subject to valid and perfected liens in favor of the ACCC Term Agent, as more fully described below, subject to the terms of Paragraph 34 herein;

(xi) granting the ACCC Term Agent (for the benefit of the ACCC Term Lenders) replacement liens and superpriority claims, to the extent of any postpetition diminution in the value of the ACCC Term Lenders' interest in the prepetition collateral pledged by the Donohue Group⁴ to secure the ACCC Term Loan Obligations (as defined below), having the priority set forth in this Order, as adequate protection for the Aggregate Diminution in Value (as defined below) resulting from, *inter alia*, the use of such collateral, including cash collateral, subject to the Carve-Out (defined below);

(xii) pursuant to section 364(c)(1) of the Bankruptcy Code, granting ACI Funding, the Agent, the Syndication Agent and the Banks superpriority claims for the payment of the obligations of the Guarantors under the Amended and Restated Receivables Purchase Program (with respect to ACSC, both in its capacity as an Originator and as a Guarantor) having the priority set forth in this Order, subject to the Carve-Out;

(xiii) scheduling a final hearing (the "**Final Hearing**") and establishing notice procedures in respect of the Final Hearing, to consider entry of a final order (the "**Final Order**") authorizing on a final basis, among other things, the Amended and Restated Receivables Purchase Program, the Amended and Restated Receivables Agreements, the Guaranty and continued performance of

⁴ The "**Donohue Group**" consists of U.S. entities Donohue, ACSC, Abitibi Consolidated Alabama Corporation, Alabama River Newsprint Company, Abitibi-Consolidated Corporation and Augusta Woodlands, LLC.

the Debtors' and their subsidiaries' respective obligations under the Financing Agreements, use of the ACCC Term Loan Collateral, the granting of adequate protection to the ACCC Term Agent and ACCC Term Lenders and granting other related relief;

and it appearing that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties-in-interest; and the Court having considered the Motion and the documents related thereto, and after due deliberation and sufficient cause appearing therefor; due and appropriate notice of the Interim Hearing (as defined below) and the Motion and the relief requested therein having been served by the Debtors on the following parties, or, in lieu thereof, their counsel: (i) the Office of the United States Trustee; (ii) the United States Securities and Exchange Commission; (iii) the Internal Revenue Service; (iv) counsel to the agents for the Debtors' prepetition secured bank facilities; (v) counsel to the agent for the Debtors' postpetition lenders; (vi) the indenture trustees for each series of the Debtors' prepetition notes; (vii) the Agent; (viii) the monitor appointed in the Canadian Proceeding; (ix) the parties identified on the Debtors' consolidated list of thirty-five (35) largest unsecured creditors; (x) the Debtors' primary cash management banks; (xi) the Debtors' primary lockbox banks; (xii) the Environmental Protection Agency; (xiii) counsel to the official committee of unsecured creditors in the Chapter 11 Cases (the "**Creditors' Committee**") and (xiv) those parties entitled to notice pursuant to Bankruptcy Rule 2002, in accordance with Local Rule 2002 and, an interim hearing (the "**Interim Hearing**") on the Motion to consider entry of an

interim order (this “**Order**”) Pursuant to Sections 105, 362(d), 363(b)(1), 363(c)(2), 363(f), 363(l), 363(m), 364(c)(1), 364(e) and 365 of the Bankruptcy Code (1) Authorizing Entry into an Amended and Restated Guaranteed Receivables Purchase Facility, (2) Authorizing the Sale of Receivables and Related Rights Pursuant to an Amended and Restated Securitization Program, (3) Authorizing ACSC to Cause Payment of Certain Fees Pursuant to the Fee Letters, (4) Modifying the Automatic Stay, (5) Authorizing the Use of Cash Collateral, (6) Granting Superpriority Administrative Expense Claims, (7) Granting Adequate Protection, (8) Scheduling a Hearing and (9) Granting Other Related Relief, pursuant to Rules 2002, 4001, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Local Rules-2002-1, 4001 and 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”) having been held on June 11, 2009; and all objections or responses, if any, to the Motion having been withdrawn or overruled either prior to the Interim Hearing, or at the Interim Hearing; and upon the record made by the Debtors at the Interim Hearing and after due deliberation and consideration and sufficient cause appearing therefor;

THE COURT MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

1. On April 16, 2009 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief with this Court under Chapter 11 of the Bankruptcy Code (the “**Chapter 11 Cases**”). The Debtors are continuing in possession of their property, and

operating and managing their businesses, as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

2. This Court has jurisdiction over these proceedings and the parties and the property of the Debtors affected hereby pursuant to 28 U.S.C. §§ 157(b) and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The Debtors hereby forever waive and release any and all "claims" (as such term is defined in the Bankruptcy Code), counterclaims, causes of action, defenses or setoff rights, in each case arising from or related to any acts or transactions occurring prior to the date hereof against ACI Funding, the Agent, Citibank, the Syndication Agent and each of their respective affiliates, agents, officers, directors, employees, attorneys, successors and assigns (collectively, the "**Released Parties**"), whether arising at law or in equity, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law (collectively, the "**Released Claims**"); *provided, however*, that nothing in this Order releases any party thereto from their contractual obligations under the Existing RPA, the Existing PCA or the Financing Agreements or in any way affects their property interests, as provided in the Existing RPA, the Existing PCA or the Financing Agreements, in the Transferred Receivables or the proceeds thereof. The Debtors further covenant not to sue the Released Parties on account of any Released Claims.

4. The Debtors admit, stipulate and agree that transfers of the Transferred Receivables by the Originators pursuant to the provisions of the Amended and Restated Receivables Agreements whether occurring prior to or subsequent to the date hereof, constitute true sales or true contributions under applicable non-bankruptcy law and hereby are deemed true sales or true contributions, and were or will be for fair consideration and are not otherwise voidable or avoidable. The Debtors further admit, stipulate and agree that upon the transfer of the Receivables to ACI Funding, the Receivables did (with respect to transfers occurring prior to the date hereof) and will (with respect to the transfers occurring on or after the date hereof) become the sole property of ACI Funding, and none of the Debtors, their subsidiaries, nor any creditors of the Debtors or their subsidiaries, shall retain any ownership rights, claims, liens or interests in or to the Transferred Receivables, or any proceeds thereof pursuant to section 541 of the Bankruptcy Code, pursuant to any theory of substantive consolidation or otherwise. The Debtors further admit, stipulate and agree that upon the transfer by each of the Originators pursuant to the provisions of the Financing Agreements, neither the Transferred Receivables, nor the proceeds thereof, shall constitute property of the bankruptcy estates of any of the Debtors, notwithstanding any intentional or inadvertent deposit of any proceeds of the Transferred Receivables in bank accounts owned or controlled by any of the Debtors, and this Court, in exercising jurisdiction over the Debtors and their bankruptcy estates, shall have no jurisdiction over such Transferred

Receivables or the proceeds thereof, excepting only Debtors' interest in the equity of ACI Funding.

5. Subject to Paragraph 29 hereof, the Debtors hereby admit, agree, acknowledge and stipulate that

(a) *Prepetition Agreements.*

(i) Pursuant to that certain Credit and Guaranty Agreement, dated as of April 1, 2008 (as may have been amended, supplemented, restated, or otherwise modified on or prior to the Petition Date, the "ACCC Term Loan Agreement," and together with all other loan documents, guaranty, and security documents executed in connection therewith, including, without limitation, (x) that certain U.S. Pledge and Security Agreement, dated as of April 1, 2008, among ACI, the Borrower (defined below), the ACCC Term Loan Guarantors (defined below) organized in the United States, together as grantors, and Goldman Sachs Credit Partners L.P., as collateral agent, (the "U.S. Security Agreement") and (y) that certain U.S. Pledge and Security Agreement, dated as of April 1, 2008, among ACI, the Borrower (defined below), the ACCC Term Loan Guarantors organized in Canada, together as grantors, and Goldman Sachs Credit Partners L.P., as collateral agent, (the "Canadian Security Agreement", and together with the U.S. Security Agreement, the "Security Agreements" collectively, with the ACCC Term Loan Agreement, the "ACCC Term Loan Credit Documents"), among ACCC (in such capacity, the "Borrower"), ACI and certain subsidiaries and the Donohue Group (collectively, the "ACCC Term Loan Guarantors"), the lenders from

time-to-time party thereto (the "ACCC Term Lenders"), Wells Fargo Bank, N.A. (as successor-in-interest to Goldman Sachs Credit Partners L.P., in its capacity as administrative agent and collateral agent, the "ACCC Term Agent"), the ACCC Term Lenders provided a \$400,000,000 term loan and other accommodations to and for the benefit of the Borrowers and the ACCC Term Loan Guarantors. The ACCC Term Agent and the ACCC Term Lenders under the ACCC Term Loan Agreement and the other ACCC Term Loan Credit Documents are collectively referred to herein as the "ACCC Term Loan Creditors."

(ii) As more fully set forth in the ACCC Term Loan Credit Documents, including, without limitation, the Security Agreements, the Borrower and the ACCC Term Loan Guarantors granted to the ACCC Term Agent for the benefit of the ACCC Term Loan Creditors valid and enforceable first priority continuing pledges, liens, and security interests in and upon (the "ACCC Term Loan Liens") the collateral of the Borrower and the ACCC Term Loan Guarantors, which includes all inventory and accounts receivable of the Borrower and the ACCC Term Loan Guarantors, whether now or hereafter existing or acquired, and certain fixed assets of the Borrower and the ACCC Term Loan Guarantors, and all proceeds (cash and noncash), products, offsprings, rents and profits of the foregoing, collectively, the "ACCC Term Loan Collateral").

(b) Prepetition Obligations.

(i) As of the Petition Date, the Borrower and the ACCC Term Loan Guarantors are indebted and liable to the ACCC Term Loan Creditors, without objection,

defense, counterclaim, or offset of any kind under the ACCC Term Loan Credit Documents in the aggregate principal amount of not less than \$346,898,769 plus accrued and unpaid interest thereon and fees, expenses, and other obligations arising under the ACCC Term Loan Credit Documents, in each case, incurred under the ACCC Term Loan Credit Documents and not paid prior to the commencement of these proceedings (collectively, the **"ACCC Term Loan Obligations"**).

(c) Prepetition Liens.

(i) As of the Petition Date, the ACCC Term Loan Liens constitute valid, binding, enforceable, non-avoidable, and properly perfected liens with priority over any and all other liens, but subject only to valid, properly perfected, non-avoidable, and senior in priority liens permitted under the ACCC Term Loan Agreement. As of the Petition Date, and without giving effect to this Order, the Debtors are not aware of any liens or security interests having priority over the ACCC Term Loan Liens, except certain Permitted Liens (as defined in the ACCC Term Loan Agreement) that are permitted to have priority over the ACCC Term Loan Liens.

(ii) All of the Donohue Group's cash on deposit in deposit accounts that are subject to valid, enforceable deposit account control agreements in effect as of the Petition Date constitutes cash collateral of the ACCC Term Agent.

(iii) The ACCC Term Loan Liens are not subject to any challenge or defense, including, without limitation, avoidance, reductions, recharacterization, subordination (whether equitable, contractual or otherwise), claims, counterclaims, cross-

claims, offsets, defenses, or any other challenges under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise.

(iv) The ACCC Term Loan Liens were granted to the ACCC Term Loan Creditors for fair consideration and reasonably equivalent value, and were granted contemporaneously with the making of the loans secured thereby.

(v) The Debtors hereby forever waive and release any and all "claims" (as such term is defined in the Bankruptcy Code), counterclaims, causes of action, defenses or setoff rights, in each case arising from or related to any acts or transactions occurring prior to the date hereof against the ACCC Term Agent (solely in its capacity as ACCC Term Agent), each ACCC Term Loan Lender (each in its capacity as an ACCC Term Loan Lender) and each of their respective affiliates, agents, officers, directors, employees, attorneys, successors and assigns, whether arising at law or in equity, including any recharacterization, subordination, avoidance or other claim arising under or pursuant to section 105 or chapter 5 of the Bankruptcy Code or under any other similar provisions of applicable state or federal law, in each case, arising in connection with the ACCC Term Loan Credit Documents. The Debtors have waived, discharged and released any right they may have to (x) challenge the ACCC Term Loan Obligations, the ACCC Term Loan Liens, and the ACCC Term Loan Collateral or (y) to assert against the ACCC Term Loan Creditors any offsets, defenses, claims, objections, challenges, causes of action, and/or choses of action arising in connection with the ACCC Term Loan Credit Documents.

6. The Debtors' ability to maintain business relationships with their vendors, suppliers and customers, to pay their employees, to purchase and supply new inventory and otherwise finance their operations, is essential to the Debtors' continued viability. In addition, the Debtors' need for financing is immediate. In the absence of the proposed financing, serious and irreparable harm to the Debtors' business operations and their estates could occur, which may include third parties declining to conduct business dealings with the Debtors. The Debtors seek access to the funding proposed to be provided by the Financing Agreements in order to assure sufficient available sources of working capital and financing to carry on the operation of their businesses. Specifically, continued performance of the Financing Agreements will permit the Originators to continue transferring the Receivables to ACI Funding, allowing the Debtors to continue their existing practice of converting Receivables to cash as soon as possible to provide cash flow necessary for various business purposes. The preservation, maintenance and enhancement of the going concern value of the Debtors are of the utmost significance and importance to a successful reorganization of the Debtors under chapter 11 of the Bankruptcy Code.

7. In the absence of the Debtors' ability to use the ACCC Term Loan Collateral, serious and irreparable harm to the Debtors' business operations and their estates could occur, which may include third parties declining to conduct business dealings with the Debtors. Specifically, continued use of the ACCC Term Loan Collateral will permit the Originators to continue transferring the Receivables to ACI

Funding, free and clear of all liens, claims, encumbrances or other interests, allowing the Debtors to continue their existing practice of converting Receivables to cash as soon as possible to provide cash flow necessary for various business purposes.

8. Given their current financial condition, financing arrangements and capital structure, the Debtors cannot obtain unsecured credit allowable under section 503(b)(1) of the Bankruptcy Code as an administrative expense. Financing on a postpetition basis is not otherwise available without certain Debtors granting, pursuant to section 364(c)(1) of the Bankruptcy Code, claims having priority over any and all administrative expenses of the kinds specified in sections 503(b) and 507(b) of the Bankruptcy Code, other than (A) as described below in respect of the Carve-Out, (B) as described below in respect of the Adequate Protection Claims (defined below) and (C) as specifically provided in this Order with respect to Avoidance Actions and the proceeds thereof.

9. Under the circumstances, the notice given by the Debtors of the Motion, the relief requested therein, and the Interim Hearing constitutes appropriate, due and sufficient notice thereof and complies with sections 363(c) 364(c) and 364(d) of the Bankruptcy Code, Bankruptcy Rules 2002, 4001(b) and (c) and the Local Bankruptcy Rules, and no further notice of the relief sought at the Interim Hearing and the relief granted herein is necessary or required.

10. Entry into the Amended and Restated Receivables Agreements and the Guaranty and continued performance of the Originators' respective obligations under the Financing Agreements is in the best interests of the Debtors and their estates, and the

Originators and the Guarantors are expressly authorized and empowered to enter into the Amended and Restated Receivables Agreements and the Guaranty, respectively, and to perform and do or continue to perform and do, as applicable, all acts that may be required in connection with the Financing Agreements, in accordance with the terms of this Order. Each currently effective Financing Agreement constitutes, and upon execution and delivery thereof, each newly executed Financing Agreement shall constitute, a valid and binding obligation of each Debtor party thereto, enforceable against each such Debtor in accordance with its terms. The terms and conditions of the Financing Agreements have been negotiated in good faith and at arm's length and the transfers made or to be made and the obligations incurred or to be incurred shall be deemed to have been made for fair or reasonably equivalent value and in good faith (and without intent to "hinder, delay or defraud any creditor" of the Debtors) as those terms are used in the Bankruptcy Code and the transactions contemplated thereunder shall be deemed to have been made in "good faith," as that term is used in sections 363(m) and 364(e) of the Bankruptcy Code and in express reliance upon the protections offered by sections 363(m) and 364(e) of the Bankruptcy Code. The Agent shall be entitled, derivatively, to assert any and all of the rights of ACI Funding, including, without limitation, those arising under section 363(m) of the Bankruptcy Code, arising as a result thereof.

Based upon the foregoing findings and conclusions, and upon the record made at the Interim Hearing, and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED that:

11. The Motion is granted on an interim basis in accordance with the terms of this Order. Any objections to the Motion with respect to the entry of this Order that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby denied and overruled.

12. ACI and ACSC are expressly authorized and empowered and ACSC is authorized to cause ACI Funding, as a wholly owned subsidiary of ACSC, as applicable (i) to enter into the Amended and Restated Receivables Purchase Program, substantially in accordance with the Term Sheet, (ii) to execute and deliver the Amended and Restated Receivables Agreements, the Guaranty and all related documents and instruments to be executed and delivered in connection therewith and in connection with the entry into, effectuation and implementation of the Amended and Restated Receivables Purchase Program, and the Facility Termination Date (as defined in the ARRPA and in the ARPCA) and the Commitment Termination Date (as defined in the ARRPA) shall be deemed not to have occurred as a consequence of the filing of the Chapter 11 Cases, ACI's Chapter 15 case or the Canadian Proceeding or the taking of corporate action by AbitibiBowater Inc. ("ABI"), ACI or ACSC to authorize any of the foregoing or the failure of ABI, ACI or ACSC to pay any debts that are otherwise stayed by any of the foregoing or the written admission by ABI, ACI or ACSC of its inability to pay such debts; (iii) to transfer, and shall be deemed to have transferred, free and clear of all liens, claims, encumbrances and other interests, including, without limitation, any liens, claims, encumbrances or other interests of the ACCC Term Agent or the ACCC Term Lenders

pursuant to sections 363(b)(1) and (f) of the Bankruptcy Code, the Receivables to ACI Funding, without recourse (except to the limited extent provided in the Financing Agreements); (iv) to otherwise perform or continue to perform, as applicable, their respective obligations under the Financing Agreements; (v) to make, execute and deliver one or more non-material amendments, waivers or supplements to one or more of the Financing Agreements in such form as the parties thereto may agree, it being understood that approval of this Court shall be required for amendments, waivers or supplements to the Financing Agreements extending the maturity date, changing the interest rate payable in cash on a periodic basis, imposing material negative covenants, requiring the payment of additional fees or effecting other modifications that are material to the ACCC Term Lenders, *provided* that the Debtors shall send any such amendments, waivers or supplements to counsel for the ACCC Term Agent, counsel for the Creditors' Committee and the Office of the United States Trustee immediately following their execution and (vi) to make, execute and deliver all instruments and documents and perform all other acts (including, without limitation, the perfection of ACI Funding's ownership interest in the Transferred Receivables and the perfection of the Agent's first priority liens on the Collateral (as defined in the ARRPA), *provided* that for the avoidance of doubt such interests are perfected upon the date of this Order and without the necessity of the execution, recordation of filings by the Debtors of mortgages, security agreements, control agreements, pledge agreements, financing statements or other similar documents) that may be required in connection with the Financing Agreements and the transactions

contemplated thereby; it being expressly contemplated that pursuant to the terms of the Financing Agreements, ACI and ACSC shall be expressly authorized and empowered pursuant to section 363(b)(1) of the Bankruptcy Code to service, administer and collect the Transferred Receivables on behalf of ACI Funding pursuant to the Financing Agreements. Moreover, ACI Funding shall be entitled to the full benefits of section 363(m) of the Bankruptcy Code in connection with any transfers made pursuant to the provisions of the Financing Agreements, with the Agent being entitled to assert ACI Funding's rights thereunder derivatively. The obligations of the Guarantors under the Guaranty and this Order are hereinafter referred to as the **"Guaranty Obligations."** All indemnification and other obligations of the Originators and any other Debtors owing to the Agent, the Banks and the Syndication Agent under the Financing Agreements and this Order are hereinafter referred to as the **"Agent Obligations."** All obligations of the Originators and any other Debtors owing to ACI Funding under the Financing Agreements and this Order are hereinafter referred to as the **"Receivables Obligations."** For the avoidance of doubt, the Guaranty Obligations, the Agent Obligations and the Receivables Obligations do not include any amounts owing to the Agent, the Banks, the Syndication Agent or their respective affiliates under or in connection with (i) any swap claims, (ii) any credit agreement in existence prior to the Petition Date not related to the Financing Agreements or (iii) any other indebtedness not related to the Financing Agreements. Notwithstanding the foregoing, the Agent, the Banks and the Syndication

Agent shall be entitled to all of the rights and remedies accorded to them pursuant to the "safe harbor" provisions of the Bankruptcy Code.

13. The Originators and the other Debtors are authorized to use the proceeds of the arrangements contemplated by the Financing Agreements in the operation of the Debtors' businesses, *provided*, that the use of the proceeds is consistent with the terms of the Financing Agreements and this Order or as may otherwise be agreed in writing by the Agent, in accordance with the terms of the Financing Agreements. Subject to the terms of this Order, the Debtors are authorized to use the ACCC Term Loan Collateral in the operation of their businesses and in connection with the Chapter 11 and Chapter 15 Cases.

14. In accordance with section 364(c)(1) of the Bankruptcy Code, the Guaranty Obligations, the Agent Obligations and the Receivables Obligations shall constitute allowed senior administrative expense claims against each of the Guarantors (with respect to ACSC, both in its capacity as an Originator and as a Guarantor) (the "Superpriority Claims") with priority over any and all administrative expenses, adequate protection claims, diminution claims and all other claims against the Guarantors, now existing or hereafter arising, other than the Adequate Protection Claims of the ACCC Term Lenders which shall be senior only to the extent described below, of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in sections 503(b) and 507(b) of the Bankruptcy Code and over any and all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331,

503(b), 507(a), 507(b), 546, 726, 1113 or 1114 of the Bankruptcy Code, whether or not such expenses or claims may become secured by a judgment lien or other nonconsensual lien, levy or attachment, which allowed claims shall for purposes of section 1129(a)(9)(A) of the Bankruptcy Code be considered administrative expenses allowed under section 503(b) of the Bankruptcy Code, and which shall be payable from and have recourse to all pre- and post-petition property of the Guarantors and all proceeds thereof; *provided, however*, that subject to Paragraph 16, the Superpriority Claims shall not extend to, or be satisfied from, any avoidance actions under Chapter 5 or sections 723(a) or 724(a) of the Bankruptcy Code (the "Avoidance Actions") or the proceeds thereof. The Superpriority Claims in respect of the Guaranty Obligations are hereinafter referred to as the "Superpriority Guaranty Claims." The Superpriority Claims in respect of the Agent Obligations and the Receivables Obligations are hereinafter referred to as the "Superpriority Receivables Claims." Subject only to the Carve-Out, no cost or expense of administration asserted against any Debtor with obligations arising under the Financing Agreements under sections 105, 364(c)(1), 503(b), 507(b) of the Bankruptcy Code, or otherwise, including those resulting from the conversion of any of the Chapter 11 Cases pursuant to section 1112 of the Bankruptcy Code, shall be senior to, or pari passu with, the Superpriority Receivables Claims of the Agent, the Syndication Agent, the Banks or ACI Funding arising out of the Agent Obligations and the Receivables Obligations, as applicable. Subject only to the Carve-Out, and the Adequate Protection Claim of the ACCC Term Agent, no cost or expense of administration asserted

against any Debtor with obligations arising under the Financing Agreements under sections 105, 364(c)(1), 503(b), 507(b) of the Bankruptcy Code, or otherwise, including those resulting from the conversion of any of the Chapter 11 Cases pursuant to section 1112 of the Bankruptcy Code, shall be senior to, or pari passu with, the Superpriority Guaranty Claims of the Agent (for itself and for the ratable benefit of the Banks and the Syndication Agent) arising out of the Guaranty Obligations. The Agent shall be permitted to enforce the Superpriority Claims in respect of the Receivables Obligations on a derivative basis on behalf of ACI Funding. The Superpriority Claims shall be entitled to the full protection of section 364(e) of the Bankruptcy Code in the event that this Order or any provision hereof is vacated, reversed or modified, on appeal or otherwise.

15. If an order dismissing any of the Chapter 11 Cases of any Guarantor under section 1112 of the Bankruptcy Code or otherwise is at any time entered, such order shall provide (in accordance with sections 105 and 349 of the Bankruptcy Code) that (i) the Superpriority Claims granted to ACI Funding, the Agent, the Syndication Agent and the Banks pursuant to this Order shall continue in full force and effect and shall maintain their priorities as provided in this Order until all Agent Obligations, Receivables Obligations, Guaranty Obligations and all other obligations under the Financing Agreements shall have been indefeasibly paid in full in cash (and such Superpriority Claims shall, notwithstanding such dismissal, remain binding on all parties in interest)

and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims referred to in clause (i), above.

16. Any provision of this Order or the Financing Agreements to the contrary notwithstanding, the Superpriority Claims, the Adequate Protection Liens and the Adequate Protection Claims shall be subject and subordinate to a carve-out (the "Carve-Out") for (a) the payment of allowed professional fees and disbursements earned or incurred by the professionals retained, pursuant to sections 327, 328 or 1103(a) of the Bankruptcy Code, by the Debtors and the Creditors' Committee and any disbursements of any member of the Creditors' Committee in an aggregate amount not to exceed (i) \$7,500,000 in the aggregate in respect of professional fees and disbursements (provided, however, that any retainers held by professionals shall be applied before payment of fees or expenses provided in this clause) incurred following written notice to the Debtors and the Creditors' Committee of the occurrence and during the pendency of (a) an Event of Termination (as such term is defined in the Amended and Restated Receivables Agreements) or (b) an event of termination or event of default under any other postpetition credit facility of the Debtors (each a "Carve-Out Event") *plus* (ii) professional fees and disbursements earned and incurred prior to the occurrence of a Carve-Out Event to the extent subsequently allowed *plus* (iii) professional fees and disbursements incurred from and after the date on which the Carve-Out Event is no longer continuing to the extent subsequently allowed, and (b) quarterly fees required to be paid pursuant to 28 U.S.C. § 1930(a)(6) and any fees payable to the Clerk of the

Bankruptcy Court, *provided, however*, that no portion of the Carve-Out, the ACCC Term Loan Collateral or proceeds of the Financing Agreements shall be used to pay professional fees and disbursements incurred in connection with (i) asserting any claims or causes of action against the Agent, the Banks, the Syndication Agent or ACI Funding (or any of their respective successors and assigns in such successors' and assigns' capacities as parties to the Financing Agreements) and/or challenging or raising any defense to the Agent Obligations, the Receivables Obligations, the Guaranty Obligations or other obligations under the Financing Agreements, (ii) asserting or prosecuting any action for preferences, fraudulent conveyances, or other avoidance power claims against the Agent, the Banks, the Syndication Agent or ACI Funding or any of their respective successors and assigns, (iii) objecting to or contesting the true sale nature of the sale and/or contribution of the Transferred Receivables, (iv) objecting to or contesting in any manner, or raising any defenses to, the validity, perfection, priority, extent or enforceability of the Agent Obligations, the Receivables Obligations or the Guaranty Obligations under or in connection with the Financing Agreements, (v) asserting any claims or causes of action against the ACCC Term Agent, any ACCC Term Loan Lender or any of their respective successors and assigns (in each case, in their respective capacities as parties to the ACCC Term Loan Credit Documents), investigating, objecting to, challenging, or contesting in any manner, or raising any defenses to, the amount, validity, extent, perfection, priority or enforceability of the obligations under the ACCC Term Loan Credit Documents or any liens or security interests with respect thereto (but

not including any investigation related thereto which shall be subject to the limitations set forth below), or any other rights or interest of the ACCC Term Agent and the other ACCC Term Loan Creditors (in their capacities as such) including with respect to the Adequate Protection Liens (as defined below) and including, without limitation, for lender liability or pursuant to sections 105, 510, 544, 547, 548, 549, 550, or 552 of the Bankruptcy Code, applicable non-bankruptcy law or otherwise, (vi) preventing or hindering a ACCC Term Loan Creditors' assertion, enforcement or realization on the ACCC Term Loan Collateral or (vii) seeking to modify any of the rights granted to any ACCC Term Loan Creditors hereunder or under the ACCC Term Loan Credit Documents, *provided further, however*, that the Carve-Out may include professional fees and disbursements for investigation of the foregoing claims, causes of action or defenses in an aggregate amount not to exceed \$75,000. As long as no Carve-Out Event shall have occurred and be continuing, the Debtors shall be permitted to pay compensation and reimbursement of expenses, to the extent permitted by the Bankruptcy Court payable under sections 330 and 331 of the Bankruptcy Code, as the same may be payable, and the amounts so paid, or accrued but unpaid, shall not reduce the Carve-Out; *provided, however*, that, upon the occurrence and during the continuance of a Carve-Out Event, the foregoing permission to pay allowed compensation and to reimburse expenses shall be limited to the professional fees and disbursements incurred prior to the occurrence of the Carve-Out Event plus the Carve-Out. Any provision of this Order or the Financing Agreements to the contrary notwithstanding, if any amount is paid out under the Carve-

Out in respect of professional fees and disbursements incurred following the occurrence and during the pendency of a Carve-Out Event, the Superiority Claims granted to the Agent, the Syndication Agent and the Banks shall extend to the proceeds of Avoidance Actions to the extent of such payment.

17. If the amount of the Carve-Out or any payment made pursuant to any carve-out under any other postpetition credit facility of the Debtors satisfied with the assets of any Guarantor exceeds the product of (x) the aggregate amount paid pursuant to the Carve-Out or such other carve-out, which amount shall in no event exceed \$7,500,000 and (y) such Guarantor's net asset value expressed as a percentage of the net asset value of the Debtors taken as a whole, such Guarantor shall have a right of contribution against the Debtors that are not Guarantors in an amount equal to such excess (or in such other amount as the Bankruptcy Court may deem appropriate under the circumstances) and with the same relative priority as the Carve-Out, and shall be subrogated to the rights of any claimant under the Carve-Out in respect of such right of contribution.

18. Pursuant to the Financing Agreements, ACI Funding may deduct from the purchase price of Transferred Receivables amounts which are payable by the Guarantors and the Originators to ACI Funding in respect of violations of certain representations and warranties and dilution items (all of such amounts, collectively, the "**Repayment Amounts**"), and the automatic stay provisions of section 362 of the Bankruptcy Code hereby are modified to the extent necessary so as to permit the deduction of such amounts by ACI Funding. The payment by ACI Funding of the purchase price for Receivables

which are subsequently reduced by such Repayment Amounts constitutes an extension of credit to the applicable Originators.

19. The performance by the Guarantors, the Originators and ACI Funding of their respective obligations under the Financing Agreements, the consummation of the transactions contemplated by the Financing Agreements, the entry by the Guarantors into the Guaranty, and the conduct by the Guarantors, the Originators and ACI Funding of their respective businesses, whether occurring prior to or subsequent to the date hereof, do not, and shall not, provide a basis for a substantive consolidation of the assets and liabilities of the Guarantors, the Originators, or any of them, with the assets and liabilities of ACI Funding or a finding that the separate corporate identities of the Guarantors, the Originators and ACI Funding may be ignored. Notwithstanding any other provision of this Order, the Agent, the Banks, the Syndication Agent and the other parties thereto have agreed to enter into the Financing Agreements in express reliance on ACI Funding being a separate and distinct legal entity, with assets and liabilities separate and distinct from those of any of the Debtors.

20. Pursuant to the Financing Agreements and as described in the Motion, ACI Funding has agreed to pay, and ACSC is hereby authorized and directed (without the necessity of any further application being made to, or order being obtained from, this Court) to cause ACI Funding, as a wholly owned subsidiary of ACSC, to pay certain fees in consideration of the Agent's and the Syndication Agent's services in structuring, negotiating and syndicating the Amended and Restated Receivables Purchase Program.

21. The automatic stay provisions of section 362 of the Bankruptcy Code are hereby vacated and modified to the extent necessary to permit the Agent, the Banks and the Syndication Agent to exercise, upon the occurrence of any Event of Termination (as defined in the ARRPA), all rights and remedies to the extent provided for in the Financing Agreements, and, to the extent provided for in the Financing Agreements to take any or all of the following actions without further order of or application to this Court: (a) declare all Guaranty Obligations to be immediately due and payable; (b) set off and apply immediately any and all amounts in accounts maintained by the Guarantors with the Agent, any of the Banks or the Syndication Agent against the Guaranty Obligations; (c) demand payment or performance of any Guaranty Obligations; and (d) take any other actions or exercise any other rights or remedies permitted under this Order, the Financing Agreements or applicable law to effect the repayment and satisfaction of the Guaranty Obligations; *provided*, that prior to exercising any enforcement rights or remedies against any Debtor, including, without limitation, the remedies listed in clauses (a) through (d), above (other than with respect to the placement of administrative holds on any accounts maintained by the Guarantors with the Agent, any of the Banks or the Syndication Agent), the Agent shall provide five (5) business days' written notice (by facsimile, telecopy, electronic mail or otherwise) to (a) counsel for the Debtors: (i) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, Attention: Kelley A. Cornish; (ii) Stikeman Elliott LLP, 1155 René-Lévesque Blvd. West, Suite 4000, Montréal, QC H3B 3V2, Canada, Attention: Guy

Martel; and (iii) Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, Delaware 19801, Attention: Pauline K. Morgan; (b) proposed counsel for the Creditors' Committee, (i) Paul, Hastings, Janofsky & Walker, 75 East 55th Street, New York, New York, Attention: Luc A. Despins and Kristine M. Shryock and (ii) Bayard, P.A., 222 Delaware Avenue, Suite 900, P.O. Box 25130, Wilmington, DE 19801, Attention: Neil B. Glassman, Esq. and GianClaudio Finizio, Esq.; (c) counsel for the United States Trustee and (d) counsel to the ACCC Term Agent, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Attention: Adam C. Harris; *provided further*, that the Debtors shall have the right to seek continuation of the automatic stay during such five (5) business day period solely on the basis that neither the Facility Termination Date nor any Event of Termination has occurred and is continuing. For the avoidance of doubt, the foregoing notice requirement shall in no event apply to any exercise by the Agent of any rights and remedies to the extent provided for in the Amended and Restated Receivables Agreements against ACI Funding or the assets of ACI Funding.

22. Collections of Transferred Receivables and other funds that are subject to the Deposit Account Control Agreement, the Blocked Accounts Agreement or the Pledged Deposit Accounts Agreement shall be processed and transferred pursuant to such agreements, and such agreements hereby are approved in all respects and each deposit bank party thereto is authorized and directed to comply therewith.

23. The Financing Agreements and the provisions of this Order shall be binding upon all parties in interest in these Cases, including, without limitation, the Debtors, ACI Funding, the Agent, the Banks, the Syndication Agent, ACI and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of any of the Guarantors or the Originators, any examiner appointed pursuant to section 1104 of the Bankruptcy Code or any other fiduciary appointed as a legal representative of any of the Guarantors or the Originators or with respect to the property of the estate of any of the Guarantors or the Originators) and shall inure to the benefit of the Debtors, ACI Funding, the Agent, the Banks, the Syndication Agent, ACSC and ACI.

24. Neither ACI Funding, the Agent, the Syndication Agent nor any Bank shall (i) be deemed to be in control of the operations of the Debtors, (ii) owe any fiduciary duty to the Debtors, their respective creditors, shareholders or estates or (iii) be deemed to be acting as a "responsible person" or "owner or operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601, *et seq.*, as amended, or any similar federal or state statute).

25. No rights of any entity in connection with a contract or transaction of the kind listed in sections 555, 556, 559, 560 or 561 of the Bankruptcy Code, whatever they might or might not be, are affected by the provisions of this Order.

26. If any or all of the provisions of this Order are hereafter reversed, modified, vacated or stayed, such reversal, stay, modification or vacation shall not affect (x) the validity of any transfer of the Receivables made pursuant to the provisions of the Financing Agreements prior to written notice to ACI Funding, the Agent and the Banks of the effective date of such reversal, stay, modification or vacation, (y) the validity of any obligation or liability incurred by each of the Guarantors and the Originators prior to written notice to ACI Funding, the Agent, the Syndication Agent and the Banks of the effective date of such reversal, stay, modification or vacation or (z) the validity and enforceability of any priority authorized or created hereby or pursuant to the Financing Agreements. Notwithstanding any such reversal, stay, modification or vacation, any indebtedness, obligations or liabilities incurred, or payment made, by any of the Guarantors or the Originators, prior to written notice to ACI Funding, the Agent and the Banks of the effective date of such reversal, stay, modification or vacation, shall be governed in all respects by the original provisions of this Order, and ACI Funding, the Agent and the Banks shall be entitled to all the rights, remedies, privileges and benefits, granted herein and pursuant to the Financing Agreements with respect to all such indebtedness, obligations or liabilities (including, without limitation, with respect to the manner in which the proceeds of the Transferred Receivables are applied) and to the full benefits of sections 363(m) and 364(e) of the Bankruptcy Code in connection therewith.

27. The Transferred Receivables are and shall be the property of ACI Funding and not property of the estates of any of the Debtors and, accordingly, no expenses of

administration of the Chapter 11 Cases or any future proceeding or case which may result from the Chapter 11 Cases, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against the Transferred Receivables, or the proceeds thereof pursuant to section 506(c) of the Bankruptcy Code or otherwise, without the prior written consent of the Agent and the Banks specified in the Financing Agreements and no such consent shall be implied from any other action, inaction, or acquiescence by the Agent or such Banks.

28. The stipulations, admissions and releases contained in Paragraph 3 and Paragraph 4 of this Order, shall be binding on the Debtors and any successor thereto and upon entry of the Final Order on all other parties in interest, including, without limitation, the Creditors' Committee and any other official committee that may be appointed in these Chapter 11 Cases under all circumstances and for all purposes. The Debtors, and upon entry of the Final Order, all other parties in interest are deemed to have irrevocably waived and relinquished all rights to contest any stipulation, admission or release contained in Paragraph 3 and Paragraph 4 of this Order, as of the date of entry of this Order.

29. The stipulations, admissions and releases contained in Paragraph 5 of this Order, shall be binding on the Debtors and any successor thereto, including any Chapter 7 or Chapter 11 trustee appointed or elected in any of the Cases, under all circumstances and for all purposes and the Debtors are deemed to have irrevocably waived and relinquished all rights to contest any such stipulation, admission or release as of the date

of entry of this Order. The stipulations, admissions and releases contained in Paragraph 5 of this Order shall be binding on all other parties in interest, including, without limitation, the Creditors' Committee and any other official committee that may be appointed in these Chapter 11 Cases, under all circumstances and for all purposes unless, and solely to the extent that, any party in interest commences a contested matter or adversary proceeding challenging such stipulation, admission or release or asserting any claims or causes of action on behalf of the Debtors' estates against the ACCC Term Loan Creditors no later than August 24, 2009. If no such contested matter or adversary proceeding is timely commenced then, without further order of the Court, all of the stipulations, admissions and releases contained in Paragraph 5 of this Order, shall be binding on all parties in interest in these Chapter 11 Cases and shall not be subject to challenge or modification in any respect. If any such contested matter or adversary proceeding is timely commenced, the stipulations, admissions and releases shall nonetheless remain binding on all parties in interest and shall be preclusive except to the extent that such stipulation, admission or release is expressly challenged pursuant to such timely commenced contested matter or adversary proceeding.

30. Upon entry of the Final Order, (i) none of the ACCC Term Loan Creditors shall be deemed to be in control of the operations of the Debtors or to be acting as a "controlling person," "responsible person," or "owner or operator" with respect to the operation or management of the Debtors (as such terms, or any similar terms, are used in the Internal Revenue Code, the United States Comprehensive, Environmental Response,

Compensation and Liability Act as amended, or any similar Federal or state statute), or owe any fiduciary duty to the Debtors, their creditors or their respective estates, and (ii) none of the ACCC Term Loan Creditors' relationship with the Debtors shall constitute or be deemed to constitute a joint venture or partnership with the Debtors.

31. Nothing in this Order vests or confers on any person (as defined in the Bankruptcy Code), including the Creditors' Committee, standing or authority to pursue any cause of action belonging to the Debtors or their estates.

32. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 or 9024 or any other Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable immediately upon entry hereof, and there shall be no stay of execution or effectiveness of this Order. Specifically, pursuant to this Order, the ten day automatic stay periods of Bankruptcy Rules 6004(g) and 6006(d) are expressly inapplicable to this Order and the transactions including, without limitation, transfers contemplated hereby.

33. Pursuant to the terms of this Order, the Debtors are authorized to use the ACCC Term Loan Collateral and the ACCC Term Agent is granted adequate protection as hereinafter set forth in this Order.

34. The ACCC Term Agent (for itself and on behalf of the ACCC Term Lenders) is entitled, pursuant to sections 361 and 363(e) of the Bankruptcy Code, to adequate protection for and equal in amount to the aggregate postpetition diminution in

value (the "Aggregate Diminution in Value") of the ACCC Term Loan Creditors' interest in the collateral pledged to the ACCC Term Loan Creditors by the Donohue Group to secure the ACCC Term Loan Obligations resulting from the sale, lease or use by the Donohue Group of the prepetition collateral pledged by the Donohue Group (including, without limitation, cash collateral) and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code. The ACCC Term Agent (on behalf of the ACCC Term Loan Creditors) is hereby granted the following as adequate protection:

(a) For and equal in amount to the Aggregate Diminution in Value with respect to the ACCC Term Loan Creditors' interest in the prepetition collateral pledged by the Donohue Group, the Donohue Group hereby grants the ACCC Term Agent, for the benefit of the ACCC Term Loan Creditors, subject to the Intercreditor Agreement and the Carve-Out, the following liens (the "Adequate Protection Liens"):

(i) first priority liens on all post-petition assets of the Donohue Group of the same nature, scope and type pledged prepetition to the ACCC Term Agent by the Donohue Group;

(ii) first priority liens on all unencumbered assets of the Donohue Group (to the extent that such Debtors are permitted to grant liens on assets that are unencumbered as of the Petition Date, excluding the Debtors' joint venture interest in Augusta Newsprint Company); and

(iii) junior liens on all assets of the Donohue Group that were encumbered by valid, enforceable and non-avoidable liens as of the Petition Date.

(b) For and equal in amount to the Aggregate Diminution in Value with respect to the ACCC Term Loan Creditors' interest in the prepetition collateral pledged by the Donohue Group, the Guarantors hereby grant the ACCC Term Agent, for the benefit of the ACCC Term Loan Creditors, subject to the Carve-Out, administrative priority claims under section 503(b) of the Bankruptcy Code, which shall be entitled to superpriority pursuant to section 507(b) of the Bankruptcy Code, senior to the Superpriority Guaranty Claims but subordinate to the Superpriority Receivables Claims payable from the pre and postpetition property of the Guarantors (other than Avoidance Actions or the proceeds thereof) (the "**Adequate Protection Claims**").

(c) On the last business day of each month, the Donohue Group shall pay interest (the "**Interest Payments**") to the ACCC Term Agent (for the ratable benefit of the ACCC Term Lenders) in an amount equal to LIBOR plus 8.00% (with a floor of 3.0%) on the aggregate principal amount of loans outstanding as of the Petition Date under the ACCC Term Loan Agreement. The component of the Initial Payment (as defined in the Motion) that constitutes the additional margin on account of default rate interest of 2.00% will be applied as a credit to future Interest Payments, beginning with the first payment due on June 30, 2009. Notwithstanding the foregoing, nothing herein shall be construed as a waiver of the ACCC Term Lenders' right to assert a claim for payment of the full contractual rate of interest (including, without limitation, based on a LIBOR floor of 3.5% and the default rate component of interest) on the ACCC Term Loan Obligations until such time as such obligations are paid in full.

(d) The Donohue Group shall make current payment of the monthly, reasonable fees and expenses (the "Professional Fees") arising from and after the Petition Date of the following advisors to the ACCC Term Agent: (i) one financial advisor (payment of monthly fees only); (ii) one U.S. restructuring counsel; (iii) one Delaware counsel; and (iv) one Canadian counsel; and (v) one counsel, including local counsel as required with respect to collateral located outside of the United States and Canada, with respect to the documentation of the appointment of, and administrative matters and responsibilities of Wells Fargo Bank, N.A. as Successor Administrative Agent and Collateral Agent. Nothing herein shall be construed as a waiver of the ACCC Term Agent's right to assert that any transaction fee that becomes due and payable to its financial advisor is an ACCC Term Loan Obligation. The respective professionals shall provide invoices to the Donohue Group, with a copy to counsel for the Donohue Group, the Creditors' Committee and the Office of the United States Trustee. The Donohue Group is authorized to pay such invoices within 30 days of receipt unless the fees and expenses are being contested, in writing and in good faith, by the Donohue Group, the Creditors' Committee or the Office of the United States Trustee, in which case the Donohue Group shall be authorized to pay the uncontested portion of such fees and expenses.

(e) The payment of the Initial Payment, Interest Payments and Professional Fees during the Adequate Protection Period are without prejudice to the rights of the Debtors and their estates to contend that such payments should be applied to

Notice of which shall be provided by the ACCC Term Agent to Citibank)

the reduction of principal or the right of the ACCC Term Lenders to contend that such payments should be applied in accordance with the application of proceeds provisions in the ACCC Term Loan Agreement.

(f) The Donohue Group shall maintain an account with the ACCC Term Agent (the "Interest Account") and by no later than five (5) business days after entry of this Order, the Donohue Group shall deposit in such account an amount equal to one month of Interest Payment. If the Donohue Group fails to timely fund the Interest Account and such failure is not cured on or before June 30, 2009, ~~the ACCC Term Agent shall provide notice to Citibank of such failure and~~ the Donohue Group's right to use the ACCC Term Loan Creditors' cash collateral shall ~~terminate~~ terminate. In the event the Donohue Group fails to timely make any Interest Payment and such failure is not cured within five business days, the ACCC Term Agent shall be authorized to apply the amounts on deposit in the Interest Account to satisfy the missed Interest Payment. If the Interest Account is drawn in accordance with the prior sentence and is not replenished by the Donohue Group by the 20th day (or, if such day falls on a weekend or national holiday, the next business day) following delivery of notice from the ACCC Term Agent to the Donohue Group, with a copy to Citibank, the Creditors' Committee and the Office of the United States Trustee, of the Donohue Group's failure to make an Interest Payment, the Donohue Group's use of the ACCC Term Loan Creditors' cash collateral shall terminate, unless otherwise ordered by this Court or agreed in writing by the Donohue Group and the ACCC Term Agent.

(g) The Donohue Group will provide the following monthly reporting to the ACCC Term Agent on a date to be mutually agreed, (i) a rolling 13-week cash flow forecast for the Abitibi and Donohue Groups (with a copy to the Creditors' Committee), (ii) Monthly Asset Current Amount Certification (as provided in the existing ACCC Term Loan Agreement) (with a copy to the Creditors' Committee) and (iii) with respect to accounts receivable, accounts payable and inventory: (x) a roll forward schedule (to the extent prepared in the ordinary course of business) and (y) a break-out of the significant components of the month-end balances consistent with the Donohue Group's existing internal reports and in reasonable detail as agreed among the Donohue Group and the ACCC Term Agent. In addition, the ACCC Term Agent's financial advisor shall have the right to attend due diligence and information sessions conducted for the benefit of creditors and the Debtors shall make their management available no less frequently than once a month to respond to reasonable periodic diligence requests by the ACCC Term Agent.

(h) Notwithstanding the foregoing, neither the Adequate Protection Liens nor the Adequate Protection Claims shall apply to Avoidance Actions or the proceeds thereof. Nothing included herein shall prejudice, impair, or otherwise affect the rights of the ACCC Term Agent or the Debtors to seek any other or supplemental relief in respect of the use of the ACCC Term Loan Collateral, or the rights of other parties in interest to oppose such supplemental relief.

(i) The Donohue Group agrees that it shall continue to operate its cash management system as described in the Debtors' Cash Management Motion⁵ unless modified by an order of this Court, provided however that the Donohue Group shall not transfer funds directly from the Citi U.S. Securitization Account (as defined in the Cash Management Motion) to the ACCC US\$ RBC Account (as defined in the Cash Management Motion) or any other account maintained in Canada unless permitted pursuant to an order of the Court, or if after three business days notice (with a copy to counsel to the ACCC Term Agent and counsel to the Creditors' Committee), the ACCC Term Agent has not objected to such transfer, *provided* that for the avoidance of doubt, any funds held in the Citi U.S. Securitization Account are not property of the estates of any Debtors and this Order shall in no way override or otherwise affect the restrictions placed on ACI Funding or the Citi U.S. Securitization Account by the Financing Agreements.

35. To the extent that any of the provisions of this Order may be inconsistent with the terms and conditions of the Financing Agreements, the provisions of this Order shall govern.

36. On or before the third business day following entry of this Order, the Debtors shall mail copies of a notice of the entry of this Order, together with a copy of

⁵ The "Cash Management Motion" is the Debtors' Motion for an Order: (A) Authorizing the Continued Use of Existing Consolidated Cash Management System, Bank Accounts and Business Forms; (B) Authorizing the Continuation of Certain Intercompany Transactions; (C) Granting Administrative Priority Status to Postpetition Intercompany Claims; and (D) Granting a Limited and Interim Waiver of the Deposit Guidelines set forth in Section 345 of the Bankruptcy Code [Docket No. 13].

this Order and a copy of the Motion (which shall constitute adequate notice of the Final Hearing), to the parties having been given notice of the Interim Hearing, and to any other party that has filed a request for notices with this Court. The notice of entry of this Order shall state that any party in interest objecting to the relief sought at the Final Hearing shall serve and file written objections with the Clerk, United States Bankruptcy Court for the District of Delaware no later than 4:00 p.m. on June 25, 2009. Objections shall be served so that the same are actually received on or before such date by: (a). counsel for the Debtors: (i) Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, New York 10019-6064, Attention: Kelley A. Cornish and Alice Belisle Eaton; (ii) Stikeman Elliott LLP, 1155 René-Lévesque Blvd. West, Suite 4000, Montréal, QC H3B 3V2, Canada, Attention: Guy Martel; and (iii) Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, Delaware 19801, Attention: Pauline K. Morgan; (b). proposed counsel for the Creditors' Committee, (i) Paul, Hastings, Janofsky & Walker, 75 East 55th Street, New York, New York, Attention: Luc Despins and (ii) Bayard, P.A., 222 Delaware Avenue, Suite 900, P.O. Box 25130, Wilmington, DE 19801, Attention: Neil B. Glassman, Esq. and GianClaudio Finizio, Esq.; (c). counsel for the Agent, (i) Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017, Attention: Michael J. Cames and Bradley Y. Smith; (ii) Kaye Scholer LLP, 425 Park Avenue, New York, New York 10022, Attention: Eric Marcus and Benjamin Mintz and (iii) Richards Layton & Finger, One Rodney Square, 920 North King Street, Wilmington, Delaware 19801,

Attention: Mark D. Collins and John H. Knight; (d). counsel to the ACCC Term Agent, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, New York 10022, Attention: Adam C. Harris, (e). counsel for the Syndication Agent, Mayer Brown LLP, 1675 Broadway, New York, New York 10019, Attention: Brian Trust and Amit Trehan; (f). counsel for the United States Trustee, 844 King Street, Room 2207, Attention: David Klauder; and (g). Office of the Clerk of the Court, 824 Market Street, Third Floor, Wilmington, Delaware 19801.

37. The Final Hearing is scheduled for July 1, 2009 at 1:00 p.m. before this Court.

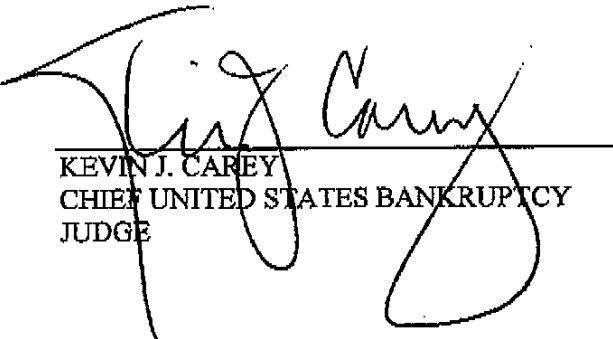
38. To the extent the Abitibi Group makes any intercompany transfers to the Donohue Group for the purpose of satisfying the Interim Payments (as defined in the Motion), Interest Payments or any payments on account of adequate protection to the ACCC Term Lenders pursuant to this Order, such intercompany transfer shall constitute an administrative priority claim against the Donohue Group pursuant to section 507(a)(2) of the Bankruptcy Code arising pursuant to the operation of the Debtors' cash management system.

39. In accordance with the provisions of the ACCC Term Loan Credit Documents, any Debtor that makes a payment of adequate protection hereunder shall be deemed to be a "Funding Guarantor" (as defined in the ACCC Term Loan Credit Documents) and shall be entitled to all the rights and benefits of contribution against each other ACCC Term Loan Guarantor as provided in the ACCC Term Loan Credit

Documents. Any such contribution claims of a Debtor against another Debtor shall constitute an administrative priority claim pursuant to section 507(a)(2) of the Bankruptcy Code.

40. Any Interest Payments and Professional Fees paid by ACSC pursuant to this Order shall be accounted for by ACSC as an amount receivable from ACCC, which shall be offset each month in the ordinary course of the Debtors' process for closing and reconciling accounts against postpetition amounts owed by ACSC to ACI or its affiliates for inventory purchased on credit from ACI and ACCC. On the last business day of each month, the Debtors shall deliver to the advisors to the Creditors' Committee the net balance of the intercompany account between ACSC and ACI for the prior month reflecting the offset of the Interest Payments and Professional Fees.

Dated: Wilmington, Delaware
June 11, 2009



KEVIN J. CAREY
CHIEF UNITED STATES BANKRUPTCY
JUDGE